

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:

02-17

2. STATE

NC

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

October 1, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447-201

7. FEDERAL BUDGET IMPACT:

a. FFY 03 (\$ 143,721)

b. FFY 04 (\$ 148,033)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Section 7, Page 4

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-B, Section 7, Page 4

10. SUBJECT OF AMENDMENT:

Payments for Durable Medical Equipment services

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Not Required

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Carmen Hooker Odom

14. TITLE:

Secretary

15. DATE SUBMITTED:

December 23, 2002

16. RETURN TO:

Office of the Secretary
Department of Health and Human Services
2001 Mail Service Center
Raleigh, North Carolina 27699-2001

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

December 31, 2002

18. DATE APPROVED:

March 25, 2003

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

October 1, 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Rhonda R. Cottrell

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children's Health

23. REMARKS:

Approved with the following change to HCFA-179, Item 8 and Item 9:

Item 8: Add "Attachment 4.19-B, Supplement 2, Page 1"

Item 9: Add "None"

MEDICAL ASSISTANCE
STATE: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

(b) Participation in the program is limited to providers who accept, as payment in full, the amounts paid in accordance with this plan.

(c) In all circumstances involving third party payment, Medicaid is the payor of last resort. Any amounts paid by non-Medicaid sources are deducted in determining Medicaid payment. For patients with both Medicare and Medicaid coverage, Medicaid payment is limited to the amount of Medicare-related deductibles and/or coinsurance for services, supplies and equipment covered under the Medicare program.

(d) Excess payments may be recouped from any provider found to be billing amounts in excess of its customary charges, or costs if charges are nominal.

B. DURABLE MEDICAL EQUIPMENT

Eff. 8/1/91

(a) Payment for each claim for durable medical equipment and associated supplies shall be equal to the lower of the supplier's usual and customary billed charges or the maximum fee established for each item of durable medical equipment or related supply. The maximum fees are set at the Medicaid fee schedule in effect on July 1, 1991. Fees for added equipment shall be at Medicare Part B Fees. If a Medicare fee can not be obtained for added equipment, then the fee shall be based on an estimate of reasonable cost. The maximum allowable fee shall be updated each August 1 based on the Gross National Product (GNP) implicit price deflator. Notwithstanding any other provision, if specified these rates will be adjusted as shown on Attachment 4.19-B, Supplement 2, Page 1 of the state plan. [The maximum allowable fee may be adjusted for any changes resulting from market and cost analysis conducted by the Division of Medical Assistance.] There shall be no retroactive payment adjustments for fee changes.

(b) Each equipment item shall be assigned to one of the following categories of payment methods:

- (1) Purchase fee paid for inexpensive, routinely purchased, and customized equipment, and DME Supplies.

MEDICAL ASSISTANCE
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

Payment for Home Health, Transportation, Durable Medical Equipment, Ambulatory Surgical Centers and Clinic Services:

FY 2003 – No adjustment.

Reference: Supplement to Attachment 4.19-B amendments 02-17, 02-18, 02-19 and 02-20

TN. No. 02-17
Supersedes
TN. No. New

Approval Date 03/25/03

Eff. Date 10/01/02